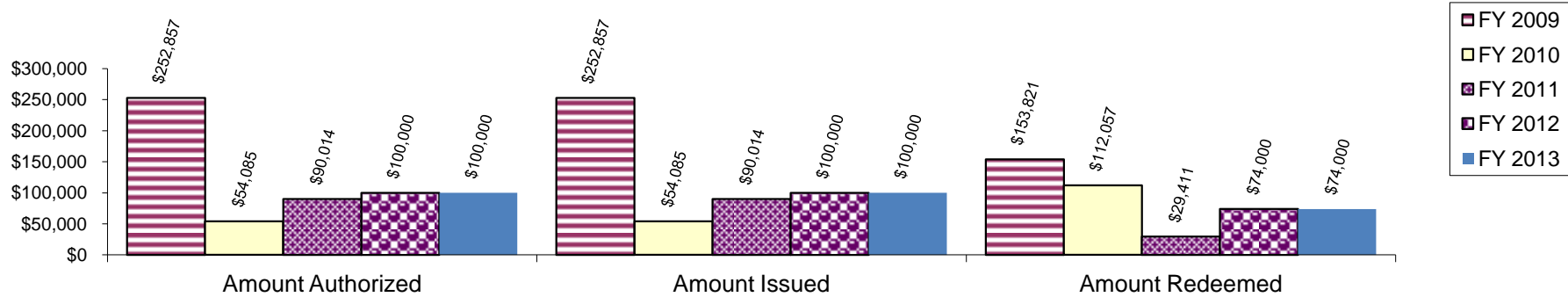


## TAX CREDIT ANALYSIS

<b>Program Name:</b> Wine Producers and Grape Growers					
<b>Department:</b> Economic Development		<b>Contact Name &amp; No.:</b> Brenda Horstman 751-3713			<b>Date:</b> October, 2011
<b>Program Category:</b> Agricultural			<b>Type:</b> Tax Credit <input checked="" type="checkbox"/> Other (specify) _____		
<b>Statutory Authority:</b> 135.700, RSMo			<b>Applicable Taxes:</b> Income tax		
<b>Program Description and Eligibility Requirements:</b> Any grape grower or wine producer within the state can claim an income tax credit for a percentage of the purchase price of all new equipment and materials used directly in growing grapes or producing wine within the state. Taxpayers may apply annually for up to five years.					
<b>Explanation of How Award is Computed:</b> Entitlement <input checked="" type="checkbox"/> Discretionary _____ The tax credit is equal to 25% of the purchase price of all new equipment and materials used directly in growing grapes or producing wine.					
<b>Program Cap:</b> Cumulative \$ _____ (remainder of cumulative cap) \$ _____ Annual \$ _____ None <input checked="" type="checkbox"/>					
<b>Explanation of cap:</b>					
<b>Explanation of Expiration of Authority:</b>					
<b>Specific Provisions:</b> (if applicable) Carry forward _____ years Carry Back _____ years Refundable _____ Sellable/Assignable _____ Additional Federal Deductions Available _____					
<b>Comments on Specific Provisions:</b> This credit has no special attributes and must be applied to tax liability for the year it was earned.					
	<b>FY 2009 ACTUAL</b>	<b>FY 2010 ACTUAL</b>	<b>FY 2011 ACTUAL</b>	<b>FY 2012 (current year)</b>	<b>FY 2013 (budget year)</b>
Certificates Issued (#)	31	21	17	19	19
Projects (#)	31	21	17	19	19
Amount Authorized	\$252,857	\$54,085	\$90,014	\$100,000	\$100,000
Amount Issued	\$252,857	\$54,085	\$90,014	\$100,000	\$100,000
Amount Redeemed	\$153,821	\$112,057	\$29,411	\$74,000	\$74,000
EST. Amount Outstanding	N/A	N/A	\$76,516	N/A	N/A
EST. Amount Authorized but Unissued	N/A	N/A	\$0	N/A	N/A
<b>HISTORICAL AND PROJECTED INFORMATION</b>					

## TAX CREDIT ANALYSIS

**Program Name:** Wine Producers and Grape Growers



**Comments on Historical and Projected Information:**

### BENEFIT: COST ANALYSIS (includes only state revenue impacts)

	FY 2011 ACTUAL	Other Fiscal Period (5 years)
<b>BENEFITS</b>		
Direct Fiscal Benefits	\$1,908	\$1,118
Indirect Fiscal Benefits	\$4,481	\$2,627
<b>Total</b>	<b>\$6,389</b>	<b>\$3,745</b>
<b>COSTS</b>		
Direct Fiscal Costs	\$90,014	\$90,014
Indirect Fiscal Costs	\$0	\$0
<b>Total</b>	<b>\$90,014</b>	<b>\$90,014</b>
<b>BENEFIT: COST</b>	<b>0.07</b>	<b>0.04</b>

#### Derivation of Benefits

**Investment:** (a) \$360,056 in equipment demand in 2011.

**Employment:** (a) n/a

**Other Assumptions:** (a) Estimated annual Food Mfg industry sales of \$28.8 K based on 8 percent ROI between years 2011-2015. Sales increase modeled to not increase direct employment within industry.

**Incentives/Credits:** (a) \$90,014 in authorized Wine and Grape tax credits in 2011, redeemed in 2011.

Impacts occur in the Statewide Region. Assumptions provided by DED. Estimated using REMI-PI+Statewide Model (remi-fiscal-PI+aug11).

#### **Other Benefits:**

##### **In FY-2011, every dollar of authorized program tax credits returns**

\$0.68 in new personal income totaling	\$0.06 million
\$1.13 in new value-added/GSP totaling	\$0.10 million
\$2.63 in new economic output totaling	\$0.24 million

##### **Over 5 YEARS, every dollar of authorized program tax credits returns**

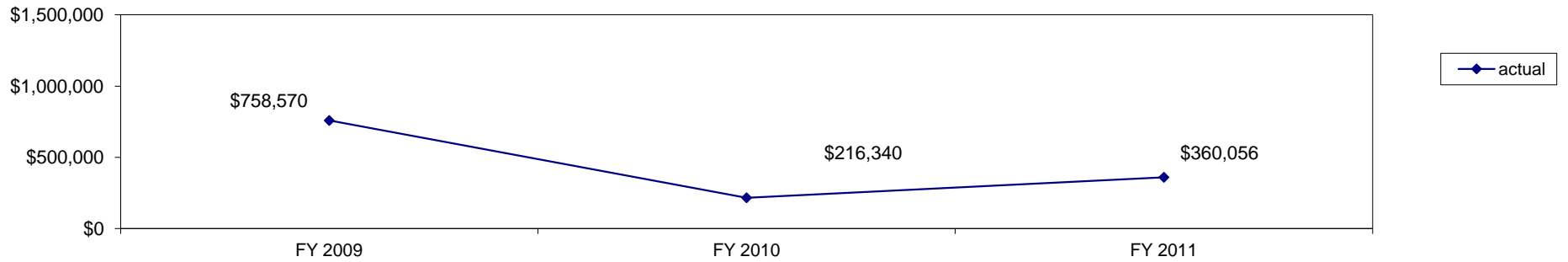
\$0.70 in new personal income totaling	\$0.06 million
\$1.50 in new value-added/GSP totaling	\$0.14 million
\$4.13 in new economic output totaling	\$0.37 million

## TAX CREDIT ANALYSIS

**Program Name:** Wine Producers and Grape Growers

### PERFORMANCE MEASURE(S)

#### Investment (equipment purchased)



**Comments on Performance Measure:**